SaskTel

Financial Statements of

3231518 Canada Ltd.

December 31, 2000

101-02989/

PRICEWATERHOUSECOOPERS

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January 23, 2001

Auditors' Report

To the Members of the Legislative Assembly,
Province of Saskatchewan

We have audited the statement of financial position of **3231518 Canada Ltd.** as at December 31, 2000 and the statements of operations, deficit and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The prior period's financial statements were audited by another firm of Chartered Accountants who provided their audit report dated May 19, 2000.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization.

STATEMENT OF OPERATIONS

For the year ended December 31	2000 (12 months)	1999 (6 months)
Operating revenues	$ 13,986	$ 12,561
Operating expenses	1,078,942	768,107
Operating loss	(1,064,956)	(755,546)
Interest expense	69,986	10,978
Net loss	$ (1,134,942)	$ (766,524)

See Accompanying Notes

STATEMENT OF DEFICIT

For the year ended December 31

	2000 (12 months)	1999 (6 months)
Deficit, beginning of year	$ (766,524)	$ -
Net loss	(1,134,942)	(766,524)
Deficit, end of year	$ (1,901,466)	$ (766,524)

See Accompanying Notes

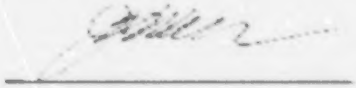
STATEMENT OF FINANCIAL POSITION

As at December 31

	2000	1999
Assets	$ -	$ -
Liabilities		
Due to Holdco (Note 3)	-	$ 766,424
Deficiency in assets		
Share capital		
Authorized – unlimited class A common shares		
Issued – 100 shares	100	100
Contributed surplus (Note 3)	1,901,366	-
Deficit	(1,901,466)	(766,524)
	-	(766,424)
	$ -	$ -

See Accompanying Notes

On behalf of the Board



3231518 Canada Ltd.
STATEMENT OF CASH FLOWS

For the year ended December 31

	2000 (12 months)	1999 (6 months)
Cash provided by (used in):		
Operating activities		
Net loss	$ (1,134,942)	$ (766,524)
	(1,134,942)	(766,524)
Financing activities		
Due to Holdco	1,134,942	766,524
	1,134,942	766,524
Change in cash	-	-
Cash, beginning and end of year	$ -	$ -

See Accompanying Notes

NOTES TO FINANCIAL STATEMENTS

Note 1 -- The Corporation

Incorporated under the laws of Canada, 3231518 Canada Ltd. (the Corporation) is a wholly owned subsidiary of SaskTel Investments Inc., which is a wholly owned subsidiary of Saskatchewan Telecommunications Holding Corporation (Holdco). The Corporation operated under the trade name clickabid™ and launched its services on June 29, 1999 with the mandate of providing Internet based auction services.

On December 22, 2000, the operations of the Corporation were discontinued.

Note 2 -- Summary of significant accounting policies

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada.

Operating revenues
Internet auction fees and commissions were recognized upon expiration of the customer's auction term.

Note 3 -- Due to Holdco

The full amount of the balance in Due to Holdco was forgiven by Holdco. Since the forgiveness was a related party transaction, $1,901,366 was credited to contributed surplus.

Note 4 -- Related party transactions

Included in operating expenses is $578,164 (1999 - $115,648) of management, operation and hosting fees charged by Saskatchewan Telecommunications for the operations and ongoing management of clickabid™.